

DEXTER AREA FIRE DEPARTMENT

Interlocal Agreement

THIS INTERLOCAL AGREEMENT is entered into by and between the VILLAGE OF DEXTER, DEXTER TOWNSHIP, LIMA TOWNSHIP, SCIO TOWNSHIP and WEBSTER TOWNSHIP (hereinafter referred to individually as "PUBLIC AGENCY") all being Michigan municipal corporations in the County of Washtenaw, Michigan in consideration of the undertaking of the Public Agencies unto each other.

WITNESSETH:

WHEREAS, each Public Agency is authorized by state law to exercise jointly with each other public agency any power, privilege or authority which said agencies share in common and which each might exercise separately (1967 Ex Sess P.A. 7; MCL 124.501 et seq., MSA 5.4088 (1) et seq.; 1951 P.A. 35, MCL 124.1 et seq.; MSA 5.4081 et seq.); and

WHEREAS, a village is authorized by state law to provide for fire protection, establish and maintain a fire department (1895 P. A. 3, Chapters VII and X, as amended, MCL 67.1 et seq., MSA 5.1285 et seq.; MCL 70.1 et seq., MSA 5.1397 et seq.) and a general law township is authorized by state law to provide for fire protection, establish and maintain a fire department (1945 P.A. 246 as amended, MCL 41.181, MSA 5.45 (1); 1951 P.A. 33 as amended, MCL 41.801 et seq., MSA 5.2640 (1) et seq.); and

WHEREAS, the Public Agencies, acting jointly, are authorized by state law to enter into an interlocal agreement to establish, maintain and operate a fire department and appropriate monies therefor from general or contingent funds, and/or specially assess the costs thereof against the lands benefited thereby in their respective jurisdictions (1967 Ex Sess P.A. 7, as amended, MCL 124.501 et seq., MSA 5.4088 (1) et seq.; 1951 P.A. 33, MCL 41.801 et seq., MSA

5.2640 (1) et seq.); and

WHEREAS, the Public Agencies are authorized to operate an ambulance service and enter into interlocal agreement to furnish such service and defray all or part of its cost by either collecting fees for service or levying special assessments with voter approval, and such service may be in connection with fire protection service (MCL 333.20346, MSA 14.15 (20346); MCL 41.711, MSA 5.160); and

WHEREAS, the Public Agencies deem it to be in the best interests of their citizens to jointly establish and maintain a fire department, and to make certain transfers of functions and responsibilities and enter into an interlocal agreement on the terms and conditions hereinafter set forth, under the authority of said statutes;

NOW THEREFORE, it is mutually agreed by and between the parties hereto as follows:

ARTICLE I

Purpose

There is hereby established by concurrent resolution of the Public Agencies hereto a fire department which shall be known as the DEXTER AREA FIRE DEPARTMENT (hereinafter "Department"). The center of operations and control of the Department shall be located in the Village of Dexter with a substation(s) being subsidiary thereto. The Department shall have the functions and responsibilities for providing such fire fighting and extinguishing protection, to include without limitation, hazardous materials transportation emergencies, and such rescue, extraction and emergency medical treatment as shall be necessary or proper to protect the persons and property within the Public Agencies in accordance with the provisions hereinafter set forth.

ARTICLE II

Service Area

The geographical area to be serviced by this Agreement is set forth in Exhibit "A", attached hereto and made a part hereof. The

Fire Administration Board shall be authorized to amend the geographical area to be serviced, provided that such amendment is consented to by the Public Agency in which the geographical area is situated.

ARTICLE III

Separate Entity

(1) Fire Administration Board. The Department shall be governed by the Fire Administration Board (hereinafter "Board") and shall be a public body separate from the Public Agencies hereto. The Board shall administer the Department in accordance with this Agreement and execute the common powers hereinafter set forth.

(2) Privileges and Immunities. Unless otherwise provided under state law, all of the privileges and immunities from liability, and exemptions from laws, ordinances and rules, and all pensions, relief, disability, workmen's compensation and other benefits which apply to the activity of officers, agency or employees of any public agents or employees of any public agency when performing their respective functions within the territorial limits for their respective agencies shall apply to the same degree and extent to the performance of such functions and duties of such officers, agents or employees extra-territorially under the provisions of this Agreement. Nothing contained herein shall relieve a Public Agency hereto of any obligation or responsibility imposed upon it by law except to the extent of actual and timely performance thereof by one (1) or more of the Public Agencies hereto or the entity created hereby in which case the performance may be offered in satisfaction of the obligation or responsibility.

(3) Membership, Meetings, Voting Compensation, By-laws. The Board shall consist of two (2) members from each Public Agency and one (1) member appointed by the Board as hereinafter provided. The governing body of each Public Agency shall appoint two (2) members to the Board for terms of six (6) years, except

the first member appointed shall be appointed for a four (4) year term. Members appointed by a Public Agency shall be residents of the appointing Public Agency. The Board, at its first meeting, shall, by resolution approved by a majority of its members, appoint one (1) member who shall be a resident of a participating Public Agency and shall serve for a six (6) year term. A member of the Board shall not be an employee of a fire department of a participating Public Agency. The members of the Board shall serve without compensation, but shall be reimbursed by the Board for actual and necessary expenses incurred in the performance of Board duties. A vacancy on the Board shall be filled by the original appointing governing body for the remainder of the unexpired term. Members of the Board may be removed by the appointing body. The members shall annually elect a chairperson and a vice-chairperson from the Board membership. The Board shall hold regular meetings once every two (2) months and special meetings as necessary at times as it determines. The Board shall adopt its own rules of procedure and shall keep a record of its proceedings. A majority of the members shall constitute a quorum for the transaction of business and the affirmative vote of a majority of all the members shall be necessary for the adoption of a motion or resolution. The business which the Board may perform shall be conducted at a public meeting of the Board held in compliance with Act No. 266 of the Public Acts of 1976, as amended. Public Notice of the time, date and place of the meeting shall be given in the manner required by Act No. 266 of the Public Acts of 1976, as amended. A writing prepared, owned, used, in the possession of, or retained by the Board in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, as amended. The Village of Dexter shall provide to the Board, for a period of not less than one (1) year from the effective date of this Agreement, such administrative services as are necessary or proper to operate the Department.

Such expense so incurred by the Village of Dexter shall be deemed an operating expense of the Department.

ARTICLE IV

Powers

In addition to the other powers contained herein, and unless otherwise provided by state law, the Board shall have the power to establish and maintain a fire department and provide for rescue and emergency medical treatment; to organize and maintain fire companies; to employ and appoint a chief and such firemen and officers as shall be required for the proper and efficient operation and maintenance of the Department; to make and establish rules and regulations for the government of the Department, employees, firemen and officers thereof and for the care and management of the engines, apparatus, property and buildings pertaining to the Department, and for the prescribing of the powers and duties of such employees, officers and firemen. The Board may contract with the Township board or legislative body of any township, city or village which maintains a fire department for the service thereof or for the care, maintenance and operation of said apparatus and equipment by the fire department of such township, city or village, upon such terms as may be agreed upon and may contract with the legislative body of any village which does not maintain a fire department to furnish fire protection to the village upon such terms as may be agreed upon. The Board may in its own name make and enter into contracts to employ agencies or employees, to acquire, construct, manage, maintain or operate buildings, works or improvements, to acquire, hold or dispose of property, incur debts, liabilities or obligations of any parties to this Agreement. The Board shall not possess the power or authority to levy any type of tax within the service area, as defined in Article II herein, or to issue any type of bond in its own name, or in any way indebted a Public Agency hereto.

ARTICLE V

Property

The Public Agencies hereto agree that the existing equipment of the Dexter Village Fire Department, to include without limitation, those items set forth in Exhibit 'B' and made a part hereof, shall be the property of the Department free and clear of any right, claim, or interest of any Public Agency hereto and, any right, duty, obligation, liability or debt owed to others by the Village of Dexter on behalf of the Dexter Village Fire Department, as set forth in Exhibit 'C' and made a part hereof, shall constitute a right, duty, obligation, liability or debt owed by the Department. Any property, real, personal or mixed acquired by the Department from the effective date of this Agreement shall be the property of the Department free and clear of any right, claim or interest of any Public Agency hereto, except as otherwise provided herein. The Village of Dexter agrees to lease to the Department for the duration of this Agreement a portion of the premises commonly known as 8140 Main, Dexter Village, Washtenaw County, Michigan upon such terms and conditions as contained in Exhibit 'D' and made a part hereof.

ARTICLE VI

Transfer of Employees

Such employees as are on the date hereof employed by the Village of Dexter for the Dexter Village Fire Department shall be transferred to and appointed as employees of the Department subject to all rights and benefits. These employees shall be given seniority credits, sick leave, vacation, insurance and pension credits in accordance with the records or labor agreements of the Village of Dexter. Members and beneficiaries of any pension or retirement system or other benefits established by the acquired system shall continue to have rights, privileges, benefits, obligations and status with respect to such established system. No employee who is transferred to the Department shall be reason of such transfer be placed in any worse position

with respect to workmen's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits that he/she enjoyed as an employee of the Village of Dexter.

ARTICLE VII

Dexter Fireman's Association

It shall be the policy of the Department to recognize the valuable services performed by its volunteer firemen, and to that end the Board may refer any policy decision to the DEXTER FIREMAN'S ASSOCIATION for its review and recommendation prior to the Board's acting thereon.

ARTICLE VIII

Substation

In the event a Public Agency hereto constructs a substation, such expense, to include construction, purchase of real and personal property, maintenance of real and personal property, and operating expenses shall be born exclusively by such Public Agency. Any property, real, personal or mixed, purchased by such Public Agency, shall be the property of the Public Agency, free from any right, claim or interest of the Department or other Public Agencies hereto. The Department shall lease the premises of the substation and equipment thereof upon such terms and conditions as are mutually agreed upon by the Board and such Public Agency. The Department, at the expense of such Public Agency, shall provide personnel, manage, maintain and operate the substation.

ARTICLE IX

Service Fee

1. In consideration of the covenants herein, the Public Agencies hereto agree to pay to the Department in quarterly installments on the last day of March, June, September and December an amount as hereinafter set forth. The Department

shall submit to each Public Agency hereto a statement of quarterly amount due on or before the First (1st) day of March, June, September and December. The Department shall determine the amount due from each Public Agency to which the Department is rendering fire, rescue or emergency medical service, excluding mutual aid agreements, in accordance with the following:

2. Definitions as used in this Agreement:

(a) "Main Station" means the facilities of the Department located in the Village of Dexter from which vehicles are dispatched to respond to a fire, rescue or emergency medical treatment call.

(b) "Substation" means the facilities of the Department, other than the main station from which vehicles are dispatched to respond to a fire, rescue, or emergency medical treatment call.

(c) "Fiscal year" shall be the period from and including January 1 to and including December 31 of each year.

(d) "Department Budget" (DB) is the current fiscal year budget for the Department, excluding substation budget(s) (SB), as established by the Board. The Public Agencies shall make payment in advance of services rendered by the Department.

(e) "Substation Budget" (SB) is the current fiscal year budget for a substation of the Department prepared by the Board and approved, or approved as modified, by the Agency owning the substation. A Public Agency owning a substation shall make payment in advance of services rendered by the Department.

(f) "Department Net Expenditure" (DNE) means the Department's actual operating, administration and maintenance expenditures, excluding expenditures pursuant to the substation budget(s) (SB) department use fees (DUF), and including miscellaneous revenues received by the Department. Department net expenditure (DNE) shall include contributions to a Capital Replacement Fund and/or acquisition of all assets by the Department during the current fiscal year. The Board may accumulate a budget reserve not to exceed ten (10%) percent of the then department net expenditure (DNE), excluding

Capital Replacement Funds and accumulated funds for purchase of non-replacement property. Department net expenditures shall be computed as of December 31 of each fiscal year and shall include the period to and including January 1 of that fiscal year.

(g) "Substation Net Expenditure" (SNE) means the Department's actual operating, administration and maintenance expenditures incurred for a substation. The substation net expenditure (SNE) shall be computed as of December 31 of each fiscal year and shall include the period to and including January 1 of that fiscal year.

(h) "Department Run" (DR) is the act of the Department dispatching one (1) or more vehicles from the main station, or combination main station and substation(s), to respond to a fire, rescue or emergency medical treatment call.

(i) "Mutual Aid Run" (MAR) is the act of the Department dispatching one (1) or more vehicles from the main station, substation(s), or combination main station and substation(s) to respond to a fire, rescue or emergency medical treatment call outside the service area set forth in Article II herein.

(j) "Exclusive Substation Run" (ESR) is the act of the Department dispatching one (1) or more vehicles solely from a substation(s) to respond to a fire, rescue, or emergency medical treatment call within the service area set forth in Article II herein.

(k) "Exclusive Substation User Fee" (ESUF) means a service charge assessed pursuant to Article XI of this Agreement for an exclusive substation run (ESR).

(l) "Department User Fee" (DUF) means a service charge assessed pursuant to Article XI of this Agreement for a department run (DR).

(m) "Department Run-Ratio" (DRR) means the number of department runs (DR), excluding mutual aid runs (MAR) and exclusive substation runs (ESR), divided into the number of runs made to each Public Agency (DRPA), excluding exclusive substation runs for a Public Agency (ESRPA) paying a substation budget.

The department run-ratio shall be computed as of December 31 of each fiscal year and shall include the period to and including January 1 of that fiscal year. This department run-ratio (DRR) shall be the run-ratio used for each Public Agency during the four (4) quarters of the successive fiscal year.

Formula:

$$(DRPA - ESRPA) \div [(DR-MAR) - ESR] = DRR$$

(n) "Total Amount Previously Paid" (TAPP) is the sum of the amount paid to the Department per Public Agency during the four (4) quarters of the previous fiscal year.

3. The Public Agencies hereto shall pay to the Department, as compensation for services rendered by the Department, a service fee computed in accordance with the following formulas:

(a) Quarterly Installments: June, September, December
 $[.25 (DB \times DRR)] + .25 SB = \text{Amount Due}$

(b) Quarterly Installment: March
 $[(DNE \times DRR) + (SNE - ESUF)] - TAPP = \text{Amount Due}$

4. For any fiscal year in which a substation has been fully operational so as to respond to a department run (DR), and the exclusive substation runs for the Public Agency (ESRPA) are less than twenty (20%) percent of their department runs (DRPA) then the department run ratio (DRR) for that Public Agency shall be computed as the number of exclusive substation runs for the Public Agency (ESRPA) being equal to twenty (20%) percent of their department runs (DRPA).

ESRPA (less than) .20 DRPA

then

ESRPA = .20 DRPA

5. The Department is authorized to accept gifts, grants, assistance funds or bequests and, unless otherwise provided, shall benefit each Public Agency hereto in accordance with the department run-ratio (DRR) for each Public Agency hereto in the year received.

6. The Department is authorized to make claims for federal or state aid payable to the Department and, unless otherwise

provided, shall benefit each Public Agency hereto in accordance with the department run-ratio (DRR) for each Public Agency hereto in the year received.

7. The Board shall annually determine the amount to be paid into the Capital Replacement Fund pursuant to the department budget (DB). The amount so established shall be based upon the realistic useful life of the property of the Department and its estimated replacement cost on its projected date of purchase.

8. The department budget (DB) and substation budgets (SB) shall be prepared in accordance with the Uniform Budget Manual For Local Units of Government In Michigan published by the State of Michigan, Department of Treasury. Complete financial records shall be kept by the Board and shall be available for inspection by interested parties in the office of the Secretary of the Board during regular office hours. The financial statements of the Department shall be audited annually by an independent public accountant. The audit shall be performed in accordance with generally accepted auditing standards and shall include tests of accounting records, and such other auditing procedures as deemed appropriate by the auditor. The Board shall submit to each Public Agency hereto an audit statement to include the expression of the auditor's opinion on whether the financial statements present fairly the financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles consistently applied. Additional information to be presented shall include computation of run ratios and be certified as fairly stated in relation to the financial statements taken as a whole.

9. Expenses incurred by any Public Agency hereto for the formation or development of the entity created herein shall be reimbursed by the Department and such liability shall be deemed an operating expense in the first department budget (DB).

ARTICLE X

Fire Code

Unless otherwise provided for under state law, the Board shall adopt by resolution such proposed ordinances as it shall

deem necessary to guard against the occurrence of fires and to protect the property and persons of the citizens against damage and accident resulting therefrom. Such proposed ordinances may be adopted from any standard fire prevention code which has been promulgated by the state or by any department, board or agency thereof, or by any national organization or association which is organized and conducted for the purpose of developing such codes. Any Public Agency so adopting such ordinance may publish by reference in accordance with MCL 41.805; MSA 5.2640 (5).

ARTICLE XI

User Fee

Unless otherwise provided under state law, the Board, in order to defray cost to the Public Agency, shall adopt by resolution a proposed ordinance for the collection of service fees. The Department shall collect the service fee in behalf of any Public Agency so adopting said ordinance and credit such sums received to the Public Agency in accordance with Article IX.

ARTICLE XII

Standards

The Department shall maintain such standards, to include training, performance and equipment as shall be required by the State of Michigan. Unless otherwise provided by state law, such standards shall be deemed minimum standards and nothing contained herein shall prohibit the Department from establishing more stringent standards.

ARTICLE XIII

Indemnification/Insurance

The Department shall indemnify, defend and save the Public Agencies hereto harmless from any and all claims for personal injury, property damage or otherwise resulting from or arising out of, or which are incidental to the functions or responsibilities herein transferred to the Department or arising out of, from or incidental to the operation of the Department. The

Board shall keep effective from the effective date of this Agreement until termination of this Agreement, an insurance policy insuring the Department and the Public Agencies hereto, as additional insured parties, against said liability. A certificate evidencing the same shall be delivered to the Public Agencies hereto forthwith. Such certificates shall provide that the insurance evidenced thereby will not be cancelled before the expiration date thereof unless notice is given to the Public Agencies hereto at least thirty (30) days prior to the effective date of such cancellation.

ARTICLE XIV

Termination

(1) This Agreement shall become effective upon the date as set forth in Article XVI herein and shall continue and remain in effect until terminated by mutual agreement of all the parties hereto. In the event of such termination, the Village of Dexter shall receive in an "as is" condition such assets as set forth in Exhibit "B" which are possessed by the Department on the date of termination, free and clear of any claim, right or interest of the Department or any party hereto. Such other assets of the Department shall be divided among the parties hereto in proportion to the aggregate amounts received from each party hereto pursuant to the department budget (DB) from and after the effective date of this Agreement.

(2) Any party hereto may withdraw from this Agreement by written notice of withdrawal served upon each other party hereto by certified mail, whereupon this Agreement shall, as to that withdrawing party, terminate not less than one (1) year from the date of said notice. The party so withdrawing shall have no interest, claim or right to any asset, real, personal or mixed of the Department.

(3) Any party hereto who for any reason fails, refuses or neglects to make payment to the Department, as herein provided, shall be served with a written notice of intent to terminate service sent by certified mail to the delinquent Public Agency

forty-five (45) days from the date of quarterly installment. Notice of such termination shall be published in a newspaper of general circulation in the delinquent Public Agency stating that if payment from the delinquent Public Agency is not received within thirty (30) days from the date of publication, the Department shall terminate all services to the delinquent Public Agency. A Public Agency so terminated shall have no interest, claim or right to any asset, real, personal or mixed of the Department.

ARTICLE XV

Modification

This Agreement may be amended by mutual consent and concurrent resolution of all the Public Agencies hereto.

ARTICLE XVI

Effective Date

This Interlocal Agreement shall take effect upon a date set forth in a Concurrent Resolution adopted by the governing body of each Public Agency hereto. In the event that one (1) or more Public Agencies does not adopt said Concurrent Resolution approving this Agreement, then this Agreement shall not take effect and shall be null and void.

This Interlocal Agreement shall be filed with the County Clerk for the County of Washtenaw, Michigan and with the Secretary of State prior to the effective date of this Agreement.

ARTICLE XVII

Binding Agreement

The provisions of this Agreement shall bind and inure to the benefit of the successors and assigns of the parties hereto, if any there be.

By executing this Agreement, the officer of each of the parties hereto affirm and attest that the governing body they

represent has adopted a concurrent resolution approving the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their fully authorized representatives and have executed ten (10) copies of this Agreement.

WITNESSES:

Jenneth Collins 3/26/85 By: VILLAGE OF DEXTER
date Paul S. Bishop 3-26-85
date
Paul S. Bishop
Its President
Michael W. Collins 3/26/85
date

Jenneth Collins 3/26/85 By: DEXTER TOWNSHIP
date James L. Drolett 3-26-85
date
James L. Drolett
Its Supervisor
Michael W. Collins 3/26/85
date

Jenneth Collins 3/26/85 By: LIMA TOWNSHIP
date Leila C. Bauer 3-26-85
date
Leila C. Bauer
Its Supervisor
Michael W. Collins 3/26/85
date

Jenneth Collins 3/26/85 By: SCIO TOWNSHIP
date Richard A. DeLong 3/26/85
date
Richard A. DeLong
Its Supervisor
Michael W. Collins 3/26/85
date

Jenneth Collins 3/26/85 By: WEBSTER TOWNSHIP
date Donald Zeeb 3/26/85
date
Donald Zeeb
Its Supervisor
Michael W. Collins 3/26/85

STATE OF MICHIGAN }
COUNTY OF WASHTENAW } SS.

On this 26TH day of MARCH, 1985 before me, a
Notary Public in and for said County, personally came the before
named PAUL S. BISHOP, JAMES L. DROLETT, LEILA C. BAUER,
RICHARD A. DELONG, AND DONALD W ZEEB

known to me to be the persons who executed the foregoing instrument,
and acknowledged the same to be their free act and deed.

Carl F. Willoughby
Notary Public, Washtenaw, Michigan
My commission expires: ~~DATE~~
NOV. 15, 1987